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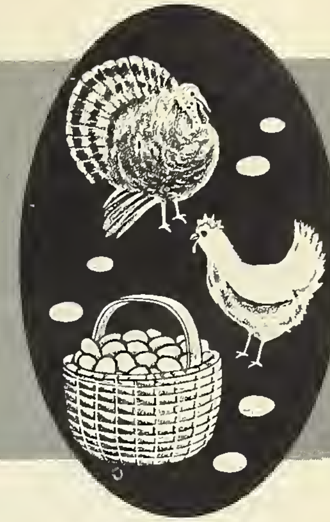
FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



FPE 1-58
June 3, 1958

EGG PRODUCTION SETS RECORD, CHICKEN NUMBERS UP, IN SPECIFIED COUNTRIES

Egg production reached an alltime record of 142 billion in 1957 in 26 reporting Free World countries. This was up 2 percent above 1956 and followed similar moderately good increases in most other years since World War II. At least a small increase is likely in 1958.

Production in the United States of 65 billion eggs in 1957 was down about 1 percent from the previous year. There were moderate further declines in U. S. egg output in the early months of 1958 which are not expected to be fully offset by increased production later in the year.

Excluding the United States, Free World egg production was up 5 percent in 1957, following a 3 percent increase in 1956. Supplies are expected to continue heavy in many countries in 1958.

Chicken numbers in most of the 26 countries continued to increase in 1957 for an overall gain of nearly 4 percent. However, since birds other than laying hens are included, these data are not strictly comparable to egg production. Numbers were up rather sharply in the United Kingdom, Canada, the Netherlands, Brazil, Japan and the Philippines. Denmark and Ireland, however, had substantially fewer chickens in 1957.

Egg production in Canada in 1957 is estimated at 5.4 billion, up 12 percent from 1956. Output continued heavy in the early months of 1958. While early indications are that flock replacement hatchings are down, the substantial increase of 6 cents per dozen in the Canadian support price announced in early May 1958 will tend to maintain high production.

Mexican egg output, also influenced by a government support program, increased 8 percent in 1957 to 2.7 billion. Imports from the United States were thus down sharply. Assuming a continuation of current stabilization policies, little change in production is expected in 1958.

EGGS: Production in specified countries, average 1934-38 and 1946-50, annual 1955, 1956, and 1957 (preliminary)

Continent and country	Average		Annual		
	1934-38	1946-50	1955	1956	1957
	Million eggs	Million eggs	Million eggs	Million eggs	Million eggs
North America:					
Canada	2,863	4,382	4,599	4,852	5,416
Mexico	1,785	1,930	2,400	2,500	2,700
United States	40,020	61,032	64,836	65,688	65,099
South America:					
Argentina	1,127	2,760	3,330	3,350	3,400
Brazil	1/	3,085	5,027	5,294	5,616
Peru	1/	1/	421	390	400
Uruguay	289	289	325	330	340
Europe:					
Austria	663	369	990	1,044	1,048
Belgium	1,693	1,584	2,400	2,640	2,720
Denmark	1,979	1,447	2,362	2,314	2,324
France	2/ 6,200	6,580	7,300	7,650	7,900
Germany, West	4,810	2,655	5,945	5,825	6,250
Greece	550	388	575	600	630
Ireland	1,086	893	873	894	833
Italy	5,500	4,380	5,915	6,100	6,200
Netherlands	1,978	1,189	3,720	4,092	4,747
Norway	369	283	475	500	550
Sweden	1,000	1,288	1,424	1,460	1,500
Switzerland	423	486	546	530	536
United Kingdom	3/4/ 6,675	3/ 6,370	9,960	10,500	10,900
Other countries:					
Egypt	751	5/ 694	535	550	570
Union of South Africa 6/	360	584	950	1,000	1,020
Turkey	1,003	859	1,260	1,300	1,214
Japan	3,553	970	6,743	6,638	7,036
Philippines, Rep. of	7/ 738	567	1,000	1,100	1,200
Australia 6/	1,848	2,388	2,364	2,328	2,340

1/ Not available.
2/ 1937.
3/ Year ending May 31.
4/ 3-year average.
5/ 1947.
6/ Year ending June 30.
7/ 1938.

Foreign Agricultural Service.

CHICKENS: Numbers in specified countries, average 1934-38 and 1946-50, annual 1955, 1956, and 1957 (preliminary)

Continent and country	Date 1/	Average 1934-38	Average 1946-50	Annual 1955	Annual 1956	Annual 1957
		Thousand chickens	Thousand chickens	Thousand chickens	Thousand chickens	Thousand chickens
North America:						
Canada	Dec. 1	44,077	45,245	40,159	38,850	43,270
Mexico	March	2/ 36,368	38,700	70,000	72,000	74,000
United States	Jan. 1	408,177	465,503	390,708	382,846	390,137
South America:						
Brazil	Dec. 31	3/	3/	136,707	152,487	160,000
Peru		3/	9,388	12,000	11,500	11,700
Europe:						
Austria	Dec. 3	4/ 8,862	5,640	8,800	8,944	9,068
Belgium	Dec. 31	16,500	14,069	15,100	16,000	17,000
Denmark	July 16	4/ 27,643	22,030	22,986	24,704	22,890
Germany, West	Dec.	4/ 51,124	3/	55,092	52,302	53,867
Greece 5/	Nov. 30	11,679	8,366	12,800	13,300	14,000
Ireland	June 1	15,971	16,677	13,511	13,527	12,333
Netherlands	Dec.	3/	7,864	20,202	21,090	24,618
Norway	June 20	5,686	4,617	3,482	3,954	3,837
Sweden	6/	10,980	12,467	11,648	11,640	11,600
Switzerland	April	7/ 5,544	5,674	6,240	6,402	6,500
United Kingdom	Dec.	50,000	51,255	59,997	63,943	68,958
Yugoslavia	Jan.	18,000	8/ 17,330	21,382	22,566	22,613
Other countries:						
Turkey		16,764	18,811	21,400	21,500	22,000
Japan	Feb. 1	51,094	17,192	45,715	42,589	45,341
Philippines, Republic of	Dec. 31	22,790	15,766	44,584	50,290	57,330

1/ Yearend estimates (October-December) shown under following year for comparison. Thus, for Canada, the December 1, 1953 estimate is shown under 1954.
2/ 1940.
3/ Not available.
4/ Average, 2-4 years only.
5/ All poultry.
6/ September 1937, June 1946-49, April 1950-55.
7/ 1936.
8/ 1949-50.

Foreign Agricultural Service.

Egg production in the United Kingdom increased 4 percent in 1957 to 10.9 billion eggs, following rises of 5 percent and 9 percent in 1956 and 1955, respectively. Guaranteed prices to producers have helped make Britain, formerly the world's largest egg importer, substantially self-sufficient in egg production. Although British support prices have been lowered somewhat, output probably will increase again in 1958.

The Netherlands, the world's largest exporter of eggs, also had the largest increase in production in 1957. Output is estimated up about 15 percent to 4.7 billion eggs, .6 billion larger than in 1956. The Dutch exports go mainly to West Germany where demand has been good.

Production of eggs in Denmark was about unchanged in 1957 following a 2 percent decline from 1955 to 1956. Denmark, along with Ireland, where output was down 7 percent in 1957, has been particularly hard hit by the loss of the British market.

Other countries with notable increases in egg production in 1957 were: Japan, West Germany, Brazil and France. Italy and Belgium were up only 2 to 3 percent while Argentina and Australia showed little change.

Compared with the 1934-38 average, egg production in Argentina, Union of South Africa, the Netherlands, Japan and Canada ranges from nearly double to nearly triple prewar. All of these countries except Argentina continue to show a sharp uptrend. In contrast, output in Ireland and Egypt is down substantially from prewar. Italy, Denmark, Turkey, Australia, Switzerland, France and West Germany are up less than 30 percent from the 1934-38 average. Among the latter group of countries only France shows a substantial uptrend in recent years.

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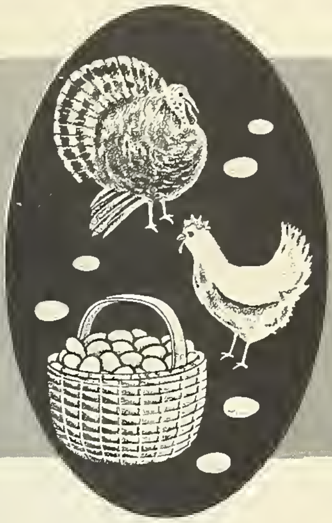

FPE
2-58
July 25, 1958

THE LATIN AMERICAN MARKET FOR U.S. POULTRY AND POULTRY PRODUCTS 1/

Summary

Egg and chicken production will expand rapidly in Latin America in response to latent consumer demand, and the U.S. share in this expanding business will be to supply breeding stock, feeds, medicines, and processing equipment.

The United States can expect to increase its sales of frozen poultry to only a few countries in Latin America. It can expand its egg product exports to some countries.

Latin America is a major customer for U.S. poultry products. Most U.S. shell egg and frozen poultry exports have gone to the Caribbean area, with small amounts to Central America. Nearly all U.S. baby chick exports have gone to the Caribbean area, Mexico and South America.

Expanding economy and rising living standards in Latin America have been reflected in increased imports of U.S. eggs and poultry. Since retail prices for these products have been relatively good, there has been extensive local interest in starting commercial poultry farms; it is natural for Latin American poultry raisers to look to the United States as a source of breeding stock, feeds, and processing and retailing techniques.

1/ This Circular is based upon a first-hand study by C.C. Warren, poultry marketing specialist, Foreign Agricultural Service, of the U.S. poultry and poultry product market potentialities in 10 Latin American countries. More detailed information than is contained in the Circular is available from the Foreign Agricultural Service.

A discussion of the poultry and poultry product market potentialities of the individual countries covered by this study follows:

GUATEMALA:

Guatemala is a small but growing market for poultry products. Of its 3.5 million people, approximately 20 percent are in the economic position to be the major consumers of eggs and poultry. This group is increasing its egg and poultry consumption. However, the growing middle class, whose wages are increasing, is probably increasing its consumption at a faster rate.

An agricultural census in February, 1956 showed 4.2 million chickens on farms, including 1.7 million laying hens.

The comments that follow apply only to Guatemala City, where about 10 percent of the country's population and a much larger proportion of its purchasing power is concentrated.

Locally produced eggs fail to meet the demand. El Salvador and the United States supply the growing demand which egg producers and retailers think will show further substantial increase if political peace prevails. Declining coffee prices in the next few years, however, might retard the flow of investment funds and, therefore, the rate of economic growth. In spite of this, the demand for eggs probably will rise. However, it is not certain this increased demand will result in substantially greater imports from the United States in coming years unless only top quality eggs are supplied. At present, U.S. eggs retail for from 10 to 20 cents a dozen below local eggs. This situation has been reported to be due to the quality of U.S. eggs exported. Not all imports from the U.S., of course, have been of low quality but a sufficient proportion have been to explain the price discount.

Another handicap to greater imports of U.S. shell eggs is the high freight rates, averaging from $7.00 to $8.00 a case by air from Miami, and $5.25 by boat and rail from New Orleans. The Guatemalan import duty, plus various fees amounts to about 5 cents a dozen. Lack of refrigerated port facilities is also a handicap.

These costs provide a relatively high barrier behind which commercial egg production can increase in Guatemala. Climatic conditions appear excellent in the interior of the country. The major handicaps have been a lack of "know-how" and relatively high corn prices. Nevertheless, interest is high in producing eggs and definite progress probably will be made in the near future.

In March, 1958, locally produced large, and extra large eggs from commercial flocks were retailing for U.S. 90 cents a dozen. Producers were being paid U.S. 70 cents for mediums and U.S. 75 to 80 cents for large. Feed prices range from U.S. $5.00 to $6.00 per 100 pounds for laying mash, depending partly upon the volume used by the producer.

Examination of the market potentialities for eggs in Guatemala points to the opportunity for expanding U.S. exports to that country while the local production fails to fill the growing demand. Expansion should be based, however, on quality, not price. This may require informational work among importers and retailers, as well as among U.S. exporters. Freight costs are high but these may fall appreciably in the next year when the highway from Porto Barrios to Guatemala City is completed. Consideration should be given to brand labeling and cartoning eggs in the United States to reduce costs slightly and build a reputation for U.S. eggs.

Guatemala could be on the threshold of a boom in production and consumption of poultry meat. The accompanying table shows a steady rise in imports but this understates the potential demand. The lack of freezer facilities from ocean port to consumer's refrigerator seems to be principally responsible for imports not being several times larger than in 1957.

Producers are now receiving 39 U.S. cents per pound, live weight. This is a profitable price in view of all costs. Broiler chicks from Miami cost about 17.5 cents each landed in Guatemala, including air freight charges.

Specialization in different phases of broiler production is beginning to appear. Production units are getting larger, and small dressing plants are now buying live broilers from growers rather than growing their own requirements. Wholesale prices of R.T.C. chickens are about 65 cents a pound, a profitable spread of 26 cents existing between live buying prices and R.T.C. selling prices. Retail prices are 75 or 80 cents a pound, whether ice-packed or frozen. Cellophane bags are usually used.

Guatemala could benefit from modern merchandising facilities. Only a few retail stores are equipped to sell frozen products. The following prices were noted in 2 stores:

		U.S. currency
Frozen one-pound packages	Breasts	$ 1.35
Frozen one-pound packages	Drumsticks	1.35
Frozen one-pound packages	Gizzards	.84
Frozen one-pound packages	Thighs	1.27
Frozen one-pound packages	Wings	.78
Frozen per pound	Turkey	1.30
Frozen per pound	L.I. duck	1.40
Frozen per pound local	Broilers	.75
Frozen per pound tray-packed U.S.	Broilers	1.25

Guatemala's lack of adequate cold-storage, has impeded imports of foodstuffs requiring refrigeration. A small beginning has been made in correcting this. The 3 supermarkets in Guatemala City have freezer cabinets. If adequate freezer facilities could be installed in Porto Barrios and in Guatemala City, thus making available frozen commodities on relatively quick notice, more retail stores would install freezer cabinets.

It is too early to think of a market development program in Guatemala for poultry meat. Improvements in port and transportation facilities, and freezer facilities at port and in the city are needed first. If a program designed to do these things could be inaugurated, a poultry market development program could soon follow. A substantial demand is there--even at relatively high prices, but the mechanics of distribution are needed first.

GUATEMALA: Poultry product imports, 1954 to 1957

Origin	1954	1955	1956	First 6 mos. 1957
	Shell eggs (gross kilos)			
Mexico	-	-	-	13,340
Costa Rica	-	-	264	-
El Salvador	332,199	215,333	254,062	106,821
United States	113,040	509,345	470,769	592,823
TOTAL	445,239	724,678	725,095	712,984
	Frozen Poultry (Gross kilos)			
El Salvador	145	-	10	3,682
United States	5,904	15,785	21,096	13,313
TOTAL	6,049	15,785	21,106	16,995
	Baby Chicks (number)			
El Salvador	10	0	83	-
Germany	60	406	0	40
Holland	0	0	263	0
Mexico	0	50	844	9
United States	221,805	324,654	497,102	319,203
TOTAL	221,875	325,110	498,292	319,252

EL SALVADOR:

El Salvador has been expanding economically during the last several years. This has increased demand for imported poultry, as domestic production has been far from enough to meet the country's needs. Relatively good prices have stimulated poultry and egg production. Imports of baby chicks in 1957 reached nearly 700,000 of which 464,000 were from the United States. These were for both egg and meat production. Egg production in El Salvador particularly has been increasing rapidly, not only to fill local demands but to supply a relatively large market in Guatemala. This has been made possible by completion of an adequate road system between the two countries and because of a customs union which has abolished the

Guatemalan tariff on eggs from El Salvador.

Poultry production is principally around the city of San Salvador where hatcheries and relatively efficient feed companies operate. Baby chicks are being imported freely from the U.S., mostly production-type chicks rather than for breeding purposes. However, there is interest and progress in establishing flocks to produce hatching eggs. It will be sometime, however, before local hatching egg production can fill the demand. In the meantime, baby chick exports from the United States can continue to increase. Some completely mixed U.S. feeds are handled in El Salvador but there are also blends of feeds using locally produced corn and cottonseed meal with other concentrates purchased in the States.

There are 2 principal drawbacks to increased sales of U.S. frozen poultry in El Salvador. One is an import duty and the other is the lack of freezer facilities in the ports and retail stores. The chain store system of food retailing has not yet taken hold. Meanwhile, local production of poultry is growing, so a declining interest in imported frozen poultry can be expected. The U.S. market in this country will be based upon supply chicks, feeds and medicines. It can be relatively important over the years.

Some El Salvadorans feel their country is ideally situated to be a major producer of poultry products for Central America north of Panama because of the customs union, which may eventually include all of the 5 countries north of Panama.

COSTA RICA:

This country is making strenuous efforts to increase egg production. An egg marketing cooperative, with Government backing, has been established to market eggs and is doing an excellent job. The cooperative handles baby chicks from a prominent U.S. breeder and sells them to its members at cost. The margin taken for marketing eggs is relatively minor, so that egg producers who market through the cooperative are prospering. In early March, 1958, the cooperative was selling large eggs at 63 U.S. cents with mediums at 60 cents and small at 57 cents. In view of current retail feed prices, these are profitable prices for producers. Production, therefore, is expected to increase in the near future.

The Costa Rican Government is fostering the cooperative by abrogating import duties on feed and supplies which, for other users are relatively high. Feed concentrates have a c.i.f. ad valorem duty. The duty on mixed feeds is 10 U.S. cents per kilo plus 4 percent ad valorem. The duty on corn is 7½ cents per kilo plus 10 percent ad valorem.

The Government also has encouraged the construction of a small feed mill to encourage the poultry industry, but the egg marketing cooperative prefers imported mixed feeds.

Modern food merchandising methods and facilities are not yet common so the sale of frozen poultry is relatively minor. In addition, the import duty on frozen poultry is equivalent to about 20 U.S. cents per pound plus 4 percent ad valorem. This high rate has effectively banned U.S. poultry. (It would stop other origins too.)

The Costa Rican poultry industry will develop further, based largely on U.S. baby chicks and feeds. Egg production is now becoming semi-commercialized and the rate of progress will depend greatly on the maintenance of consumer purchasing power.

COLOMBIA:

There is a large, unsatisfied demand for eggs and poultry in Colombia. Consumer purchasing power has been relatively high and egg and poultry meat production have increased substantially in recent years.

To develop the industry further, the Government a few years ago banned the importation of baby chicks. A few small hatcherymen had been suffering competition from relatively cheap imported chicks.

At the time of the embargo there was some good quality U.S. stock in the country but in the last few years this has tended to degenerate. In the meantime, the hatchery industry has been growing. Hatcherymen are now asking the Government for permission to import reproduction and multiplier stock but to continue the ban on commercial or production chicks. The Government has been sympathetic, and imports of the 2 preferred groups of chicks may soon be permitted. Colombia then will expand its poultry production.

There seems no possibility of selling U.S. frozen poultry products to Colombia in the near future. The Colombian peso has declined in value more than the rise in the cost of living. As a result, imported products are now prohibitively high in price. Furthermore, the Government is not likely to issue import licenses for frozen poultry in view of its all-out encouragement to local poultry producers. A continuing market in Colombia can be expected, however, for more reproduction and multiplier baby chicks and hatching eggs, feed concentrates, and production and marketing equipment and supplies.

Colombia is relatively large, and its population is expanding rapidly. Its middle classes are increasing rapidly, and these are the greatest consumers of eggs and poultry. Colombia produces nearly an adequate corn supply so that with imported concentrates, feed prices can be held to reasonable levels. If the importation of breeding stock is permitted, Colombia could have a large poultry industry.

PERU:

Because of stable conditions in Peru, the Government has freely permitted imports of U.S. frozen poultry. The city of Lima is large and relatively prosperous with a rapidly expanding food retailing industry patterned after U.S. chain store techniques. Most large markets stock U.S. poultry products. There seems to be some consumer preference for unfrozen products but U.S. chickens sell at a slight premium of about 4 cents a pound. In March, 1958, locally-produced top quality fresh broilers were selling at 30 1/ soles per kilo, (63 U.S. cents per lb.) with #2 quality birds selling at 27 soles per kilo. (56 U.S. cents per lb.) At the same time, U.S. broilers were selling at 32 soles per kilo. (67 U.S. cents per lb.) One retailer was selling U.S. chickens at 29 soles per kilo. (60 U.S. cents per lb.)

There has been considerable interest in the poultry industry in Peru. There are many small poultry farms near Lima, most of which produce market eggs. Broiler farms are just beginning to become important, largely because of the importation of U.S. poultry which has had an excellent consumer reception. Producers largely use locally produced chicks, although the hatching egg producing flocks are generally imported from the United States.

The future is bright for further expansion of Peru's poultry industry. Hatching egg producers and poultry product retailers are aggressive. Nevertheless, imports of U.S. poultry can show further increases because the market is far from adequately supplied. An example of recent developments is the current popularity of barbecued chicken. In the last year about 25 restaurants have been opened in Lima with barbecued chicken as the main attraction. These restaurants alone use over 50,000 chickens per month, and a further expansion is expected this year and next.

A market development program in Peru could encourage still higher poultry consumption levels. A successful program could be inaugurated as long as the promotion is confined to increasing the demand for poultry and not

1/ 21.7 soles per U.S. dollar. ($)

specifically U.S. poultry. Discussions with industry representatives, ranging from import agents to retailers, indicated considerable interest in such an effort. The success would, of course, depend on business conditions at the time the program is started. Peru's purchasing power and foreign exchange come largely from the copper, lead and zinc industries, which are currently depressed. However, the country appears to be standing the loss of foreign earnings successfully and there seems to be a bright future for its industrial development. However, for all practical purposes a poultry market development program should be confined to Lima. While there may be consumer demand in other cities, which are rather small, the latter lack adequate refrigeration facilities.

CHILE:

The Chilean poultry industry is well organized and appears to be more mature than that of any other South American country. The entire interest of the industry is in egg production. Flocks consist largely of Leghorns located in the heavily populated middle third of the country which includes Santiago and Valparaiso. The important poultry operators are members of feed and egg marketing cooperatives. At the peak of the laying season, in about September and October, the egg supply becomes relatively heavy and producers have heretofore sought foreign markets for their surplus. Last year a few thousand cases of eggs were sent to West Germany and reportedly were well received. There is still a relatively wide seasonal swing in the egg production cycle, so that supplies in the short period are insufficient. There have been some unsuccessful attempts to store eggs.

Being in the temperate zone, Chile has a great variety of foodstuffs. Its dairy industry is developed and meat is easily imported from Argentina. As a result, poultry meat production has received little attention. However, it does not appear that U.S. frozen poultry could be sold in Chile. The Chilean peso has declined seriously in value without a commensurate rise in domestic prices. Consequently, imported U.S. frozen poultry would be prohibitively expensive. Owing to the financial condition, it cannot be expected that import licenses for U.S. poultry, would be issued. In addition, the freight costs from the U.S. to Chile are very high. The most the U.S. poultry industry can expect to export to Chile is a small amount of breeding stock.

THE NETHERLANDS ANTILLES:

The Netherlands Antilles is a Dutch colony consisting of two major islands--Curacao and Aruba. The colony has a favorable balance of trade with imports freely permitted. The duty on all imported foods is 6 percent ad valorem.

The United States now exports substantial amounts of poultry products to the Netherlands Antilles since local production is very small. Shell eggs and frozen poultry are the major items imported, but in the last 2 years imports of baby chicks have been rising sharply. Most of these are sold to backyard poultry keepers but some commercial production of both eggs and broilers is beginning. Modern merchandising methods are common on both islands.

Of the 1.6 million pounds of frozen poultry shipped to the islands in 1957, the bulk went to Aruba because of the large U.S. colony working there in the oil refinery. There is a small, but steady, ship chandlering business which seems to be declining as merchant ships carry more of their own foodstuffs.

U.S. poultry has been well received and buyers seem to be quality conscious. Some retailers seem satisfied to buy from the same supplier month after month without shopping for bargain prices if they are satisfied with the quality of the imports. The United States can expect a continuing substantial trade with Curacao and Aruba even though local production increases considerably. The standard of living on the islands has been rising and this should permit a pronounced increase in consumption.

TRINIDAD:

Trinidad is a British Crown Colony with a population of a little less than 600,000.

Imports of U.S. poultry into Trinidad have been expanding rapidly the last 3 years. The trade started principally with backs and necks which were sold mostly to the large native population for soup-making. Lately, however, interest has been swinging more to whole young chickens with a pronounced decline in the import of backs and necks.

These large imports have drawn local interest to the poultry industry and production is increasing rapidly. There are several commercial egg farms and a small but growing number of commerical broiler producers. It will be sometime probably before local production can begin to supply local demand. In the meantime, U.S. exports to the islands should increase

still further. To encourage local production, the Government has limited imports of production-type chicks. It is believed this policy will soon be reversed. If the policy is reversed, the intention of Government authorities appears to be to again restrict importation of production-type chicks as soon as sufficient breeding flocks are available.

Trinidad, and its capital, Port-of-Spain, has been selected as the new capital of the British West Indies Federation. While Port-of-Spain has been growing rapidly, still more rapid expansion is expected as the new Federation progresses. Therefore, a continuing large U.S. export of poultry products to Trinidad seems likely even though local production increases rapidly. Food retailers are adopting chain store methods rapidly and local poultrymen think the expanding tourist business will require large quantities of poultry. In April, 1958, the retail price of live broilers was equal to 50 U.S. cents per pound. Oddly enough, live and eviscerated broilers sell for the same price. Large eggs were retailing at 97 U.S. cents a dozen but usually retailed for 88 cents per dozen.

About 10 to 15 thousand broilers are being raised weekly and sold live. All the poultry feeds used on the island are imported mixed from the United States. Since local feed production is extremely small, this should be a continuing market for U.S. products and show rapid expansion as the poultry industry grows. Owing to the economic status of most of the population, the low price paid by the consumer has always been a major factor in determining the quality of imports from the U.S. Nevertheless, it appears that an opportunity for the sale of high quality products has not been sufficiently cultivated. The desire of restaurants for portion controlled birds of 1 3/4 pounds is an example. Turkeys are now being sold only at Easter and Christmas.

VENEZUELA:

For several years Venezuela has been the major U.S. market in Latin America for baby chicks and shell eggs. In 1957, however, the Venezuelan Government banned the importation of chicks but authorized increased imports of hatching eggs. This was done to develop the hatchery industry. The poultry industry expects import licenses for hatching eggs to be gradually decreased in the next 2 years, thus forcing the development of hatchery supply flocks. For a number of years, Venezuela has banned frozen poultry imports to encourage further its own industry.

These actions have been effective in that Venezuela has a growing broiler industry. Its egg industry is still relatively small, with very few commercial units. Nevertheless, interest is widespread in this field and local feed companies, some of which are branches of U.S. concerns, are stimulating production. There is, however, a lack of processing and transportation facilities which could hinder the full development of the poultry industry.

The United States has been a major supplier of market eggs with competitive supplies coming in only during the spring from Canada, Denmark and Poland. U.S. feed manufacturers, hatcherymen and breeders are starting branch operations. While there is some local production of corn, the bulk of the feeds come from the United States.

A large middle class is developing in Venezuela as result of economic expansion. As this trend continues, a sharply larger demand for eggs and chickens can be expected. However, in view of the Government's desire to establish its own poultry industry, U.S. exports may actually decline in the years ahead. The United States should continue, however, to be the major supplier of breeding stock, feeds, and poultry production and processing equipment.

BRAZIL:

While Brazil is larger than the United States and has over 60 million population, its poultry industry is largely adjacent to Sao Paulo and Rio de Janeiro. A number of other cities are potential markets for eggs and poultry but because of climatic conditions and inadequate transportation facilities, the supply is far less than the potential demand. The United States, however, will not be permitted to supply this demand because of the extreme shortage of foreign exchange and active resistance from domestic poultry producer groups. If and when its exchange situation changes, Brazil could become a large market for U.S. breeding stock. There are local supplies of corn, soybean meal, cottonseed meal, fish meal and meat scraps, and local production of vitamins is beginning. There probably will be a sharp increase in poultry production in the next 10 years as the Government's road-building program progresses and as the city populations continue to increase.

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.

FPE-3-58
September 30, 1958

U. S. FOREIGN TRADE IN POULTRY AND EGGS, 1957 AND INDICATED 1958

Chicken

U. S. chicken1/ exports in 1957 reached a record high of 28.5 million pounds, 12 percent above the previous record of 24.5 million pounds in 1956. Indications are that there will be a further increase in 1958. The export gain in the past 2 years is illustrated by the fact that Switzerland and West Germany, which took practically no U. S. poultry prior to 1956, have now become the best customers for high-quality, competively-priced U. S. chickens. They imported 6.2 million and 5.6 million pounds, respectively, in 1957.

U. S. exports are increasing to all important foreign poultry markets except Canada which has a well-established broiler industry of its own. Furthermore, Canada restricted imports of fowl from mid-1957 through early 1958. More than 1 million pounds of U. S. chicken each were imported in 1957 by the British West Indies, Hong Kong, and the Netherlands Antilles.

Mexico, Bermuda, the Netherlands and the Panama Canal Zone are approaching the million-pound level. Preliminary data available only for 1958 indicate that 60 percent of U. S. chicken exports consist of broilers, while the remainder are fowl (stewing chicken). This indicates broiler exports of just under 20 million pounds in 1958 and shipments of fowl at somewhat over 10 million pounds.

Turkey

U. S. exports of "other poultry and game" (mainly turkeys) were 11.2 million pounds in 1957, down 35 percent from the previous year's record of 17.3 million. In 1956 three-fourths of all shipments went to Canada. Rising domestic production, coupled with a price support program, resulted in a Canadian embargo on U. S. turkeys in mid-1957 that has since been modified only slightly. Thus Canada accounted for practically all of the decline occuring in turkey exports

1/ Chickens and capons, fresh or frozen (meat).

but still took two-thirds of the total in 1957. The above situation continues to dominate the turkey picture and indications are that total exports in 1958 will again be down very sharply.

Other countries taking from 300 thousand to 500 thousand pounds of U. S. turkeys in 1957 were Cuba, Switzerland, British West Indies, and Bermuda. The trend in most of these countries is sharply upward. During January-July 1958 data are available separately for turkeys for the first time. The proportion turkeys were of the total of the old classification "other poultry and game" - 29 percent- is probably only about one-third of that prevailing during the past few years. Thus turkey exports appear to have declined from about 15 million pounds in 1956 to less than 10 million in 1957 and to only 2-4 million in 1958 - due to the Canadian embargo.

Shell eggs

In contrast to poultry, U. S. shell egg exports of 31.6 million dozen in 1957 were 29 percent less than the previous year, and are expected to drop further in 1958. Indications are that the decline in 1958 will be about the same percentage as in 1957. If exports in 1958 are only 20 to 25 million dozen they will be less than half the level attained in 1955 which was a record high for non-war years. The value of U. S. shell egg exports in 1958 may be less than that of chicken exports for the first time.

Egg shipments to Venezuela in 1957 were 21.9 million dozen--over 70 percent of shipments to all importing countries. They probably will be only slightly more than half as much in 1958 as in 1957, however, because of competition the United States is facing in the Venezuelan market. Exports to Venezuela from both Canada and Denmark have been up sharply so far in 1958. This decline in U. S. exports to Venezuela will interrupt the steady upward trend of the past several years.

U. S. egg exports to Mexico and Cuba, big customers prior to 1956, have continued to trend downward rapidly because of increasing local production and restrictions on imports. Data available for the first seven months of 1958 indicate that 31 percent of shell egg exports are hatching eggs. This proportion is expected to be lower for the year as a whole.

Baby Chicks

U. S. baby chick exports in 1957 are reported at 15.9 million, down 40 percent from the year before, and are expected to be down sharply again in 1958. Mexico, Cuba, and Venezuela have been major customers and all are now attempting to build their own hatching industries and have placed restrictions on imports.

Other Poultry and Egg Exports and Imports

Amoung the smaller U. S. poultry and poultry product export items, shipments of dried and frozen eggs and canned poultry were down moderately in 1957. Exports of live poultry, other than baby chicks - practically all to Canada - increased in 1957. Imports of all poultry and eggs in 1957 were valued at $1.4 million, down 12 percent from 1956. This compares with total exports of $34.7 million in 1957.

POULTRY MEAT: U. S. exports by country of destination, average 1952-55 (canned chicken 1951-55), annual 1956-57

Country of destination	Chickens and capons fresh or frozen			Other poultry and game fresh or frozen 1/			Chicken, canned		
	Average 1952-55 2/	1956	1957	Average 1952-55 2/	1956	1957	Average 1951-55	1956	1957
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Canada	2,278	9,537	5,150	6,236	13,457	7,599	1,805	1,758	1,772
Mexico	295	405	846	183	390	241	3	8	3/
Panama Canal Zone	958	1,562	701	158	106	162	11	4	2
Guatemala	14	38	19	2	10	15	1	---	1
Panama	74	115	142	77	106	137	---	2	---
Bahamas	33	39	76	130	199	216	1	---	---
Bermuda	499	800	887	348	352	341	7	4	2
British West Indies	302	2,363	3,041	61	202	348	2	2	18
Cuba	108	42	43	331	456	522	3	4	1
Dominican Republic	15	16	48	17	47	23	---	5	---
Haiti	6	57	26	12	17	11	1	---	---
Netherlands Antilles	909	1,173	1,472	60	97	137	5	10	4
Other	6	4/ 12	5/ 9	4	6/ 11	7/ 9	---	---	---
Total North America	5,497	16,159	12,460	7,619	15,450	9,761	1,839	1,797	1,800
British Guiana	74	124	88	2	8	18	2	---	---
Chile	---	---	6	---	---	---	3	4	22
Colombia	4	---	---	2	---	---	256	---	---
Peru	22	37	258	26	48	117	5	10	4
Surinam	6	185	105	1	10	4	---	---	---
Venezuela	92	55	15	84	6	52	80	38	77
Other	2	---	---	4	---	---	8	8/ 2	9/ 9
Total South America	200	401	472	119	72	191	354	54	112
Belgium-Luxembourg	63	63	122	23	20	---	---	---	3
Denmark	---	---	---	53	---	---	4	2	12
France	3	6	44	---	32	---	---	1	---
Germany, West	51	3,517	5,550	46	934	131	1	---	31
Netherlands	14	89	782	1	---	56	1	---	3
Sweden	1	---	---	---	---	---	9	25	18
Switzerland	293	2,685	6,157	22	184	374	2	6	10
United Kingdom	3	6	1	21	---	---	137	733	---
Other	---	---	10/ 6	---	---	---	1	---	11/ 2
Total Europe	428	6,366	12,662	166	1,170	561	155	767	79
Libya	---	---	---	---	---	2	---	---	18
Morocco	49	44	12	39	11	3	2	1	---
Ghana	---	2	35	---	---	5	---	---	15
Liberia	28	56	66	13	9	8	1	---	---
Other	1	---	12/ 4	3/ ---	---	---	---	---	13/ 3
Total Africa	78	102	117	52	20	18	3	1	36
Bahrein	---	---	9	---	---	---	4	10	---
Cyprus	---	---	---	---	---	---	---	---	10
Iran	---	---	13	---	2	46	---	11	7
Israel	---	3	---	1	9	56	23	5	---
Kuwait	12	20	15	3	2	6	4	13	15
Lebanon	8	15	24	6	34	2	8	6	11
Saudi Arabia	335	309	323	178	128	107	16	1	14
Hong Kong	53	795	1,904	63	152	218	4	15	4
Japan	8	---	---	17	19	---	2	---	---
Malaya	30	214	284	39	152	127	4	19	81
Nansei and Nanpo Is.	29	26	96	22	25	16	1	48	---
Pakistan	---	8	---	---	15	3	---	5	---
Philippines	8	60	81	10	4	18	2	2	---
Other	7	14/ 8	15/ 6	3	16/ 10	17/ 13	3	18/ 10	19/ 9
Total Asia	490	1,458	2,755	342	552	612	71	145	151
U. S. Trust Territory of the Pacific Islands	1	20	6	---	---	13	2	1	13
Other	5	20/ 2	---	1	20/ 3	20/ 6	3/ ---	---	---
Total Oceania	6	22	6	1	3	19	2	1	13
Grand total	6,699	24,508	28,472	8,299	17,267	11,162	2,424	2,765	2,191

1/ Consists mainly of turkey.
2/ Separate figures not available prior to 1952.
3/ Less than 500 lbs.
4/ British Honduras, 3; El Salvador, 1; Honduras, 8.
5/ British Honduras, 9.
6/ Costa Rica, 6; El Salvador, 5.
7/ British Honduras, 9.
8/ Brazil, 2.
9/ Argentina, 3; Brazil, 5; Uruguay, 1.
10/ Greece, 6.
11/ Italy, 2.
12/ Union of South Africa, 4.
13/ Somalia, 3.
14/ Indonesia, 3; Republic of Korea, 5.
15/ Ceylon, 2; Vietnam, Laos, and Cambodia, 4.
16/ Ceylon, 4; Republic of Korea, 6.
17/ Ceylon, 7; Republic of Korea, 5; Vietnam, Laos and Cambodia, 1.
18/ Aden, 4; Afghanistan, 2; Indonesia, 3; Republic of Korea, 1.
19/ Jordan, 5; Turkey, 3; Ceylon, 1.
20/ French Pacific Islands, 2.

EGGS: U. S. exports by country of destination, averages 1951-55, annual 1956-57

Country of destination	Shell eggs			Dried eggs			Eggs, frozen and otherwise preserved		
	Average 1951-55	1956	1957	Average 1951-55	1956	1957	Average 1951-55	1956	1957
	1,000 dozen	1,000 dozen	1,000 dozen	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Canada	775	2,651	937	352	133	101	110	88	106
Mexico	16,572	8,940	4,351	970	328	334	120	184	40
Panama Canal Zone	627	600	303	8	4	6	114	128	56
British Honduras	4	25	60	---	---	---	---	---	---
Guatemala	179	121	182	9	6	10	1	---	---
Panama	327	51	100	1	3	---	57	---	22
Bahamas	62	83	179	4	---	---	7	29	7
Bermuda	83	214	151	---	5	4	15	36	28
British West Indies	30	187	247	1	---	1	14	27	60
Cuba	7,086	3,582	2,330	51	26	53	12	27	15
Dominican Republic	5	43	7	1	1	1	1/	2	1
Haiti	4	19	22	---	---	---	---	---	---
Netherlands Antilles	506	480	473	1/	2	3	2	3	30
Other	8	---	2/ 5	12	3/ 6	4/ 5	---	5/ 1	5/ 1
Total North America	26,268	16,996	9,347	1,409	514	518	452	525	366
Colombia	1,070	464	---	62	54	20	3	---	1/
Peru	1	1/	---	5	1/	---	6	40	58
Venezuela	12,766	20,815	21.989	35	15	37	48	64	28
Other	14	6/ 2	7/ 5	5	8/ 4	9/ 1	2	---	---
Total South America	13,851	21,281	21,994	107	73	58	59	104	86
Belgium-Luxembourg	56	93	13	30	---	46	14	---	22
Germany, Federal Republic of	1/	71	4	596	1,081	499	---	23	44
Greece	1	1/	1	1	9	11	---	---	---
Italy	1/	2	1/	97	5	4	21	---	---
Netherlands	4	67	---	43	24	34	3	---	---
Spain	417	10/4,857	154	---	---	---	---	---	---
Sweden	1/	---	1/	18	---	1	---	---	---
Switzerland	524	1,287	157	327	119	123	13	143	58
United Kingdom	---	---	---	8,139	14	28	---	---	---
Yugoslavia	---	---	---	867	---	22	---	---	---
Other	---	11/ 4	12/ 1	5	12/ 1	---	---	---	---
Total Europe	1,002	6,381	330	10,123	1,253	768	51	166	124
Liberia	21	29	22	---	---	---	1	---	---
Other	---	---	---	---	---	13/ 4	---	---	---
Total Africa	21	29	22	---	---	4	1	---	---
Israel	1/	---	2	29	2	3	1/	---	---
Saudi Arabia	45	7	7	11	3	1	---	---	---
Philippines	4	---	1	34	5	8	8	30	23
Other	17	14/ 7	15/ 11	17	16/ 3	17/ 4	---	18/ 2	19/ 5
Total Asia	66	14	21	91	13	16	8	32	28
U. S. Trust Territory of the Pacific Islands	4	20	12	---	---	1	---	---	---
Other	4	---	---	---	---	---	---	---	---
Total Oceania	8	20	12	---	---	1	---	---	---
Grand total	41,216	44,721	31,726	11,730	1,853	1,365	571	827	604

1/ Less than 500 pounds.
2/ Greenland, 3; Nicaragua, 2.
3/ Costa Rica, 1; Honduras, 3; and Nicaragua, 2.
4/ Costa Rica, 1; Honduras, 3; and Nicaragua, 1.
5/ Honduras, 1.
6/ Brazil, 2.
7/ Brazil, 2; British Guiana, 3.
8/ Bolivia, 1; Brazil, 2; and British Guiana, 1.
9/ Bolivia, 1
10/ Virtually all under Section 402, P. L. 665 (Economic Aid).
11/ U. S. S. R., 4.
12/ France, 1.
13/ Union of South Africa, 4.
14/ Indonesia, 7.
15/ Iran, 6; India, 1; Japan, 2; Thailand, 2.
16/ Lebanon, 2; Hong Kong, 1.
17/ Lebanon, 2; Indonesia, 1; Republic of Korea, 1.
18/ Indonesia, 1; Pakistan, 1.
19/ Nansei and Nanpo Islands, 5.

LIVE POULTRY: U. S. exports by country of destination, average 1952-55, annual 1956-57

Country of destination	Baby chicks			Other live		
	Average 1952-55 1/	1956	1957	Average 1952-55 1/	1956	1957
	1,000 head	1,000 head	1,000 head	1,000 lb.	1,000 lb.	1,000 lb.
Canada	195	1,275	1,866	208	467	396
Mexico	3,619	8,733	5,716	1,831	2,754	4,057
British Honduras	2	3	10	---	---	---
Costa Rica	181	325	399	---	---	---
El Salvador	98	445	464	2/	3	2/
Guatemala	230	451	518	2/	---	2
Honduras	8	29	99	2/	2/	2/
Nicaragua	4	60	75	1	1	---
Panama	149	---	1	---	---	2/
Bahamas	147	306	464	---	1	---
Bermuda	76	158	28	5	---	2/
British West Indies	231	978	1,019	1	4	2
Cuba	252	1,875	2,580	191	6	14
Dominican Republic	4	54	145	1	---	1
French West Indies	37	147	59	---	---	---
Haiti	29	30	44	---	10	---
Netherlands Antilles	58	42	59	---	---	---
Other	5	---	---	---	---	---
Total North America	5,325	14,911	13,546	2,238	3,246	4,473
Bolivia	3	12	2	---	---	---
British Guiana	2	22	13	---	---	7
Chile	3	13	10	---	---	---
Colombia	607	574	43	4	1	---
Ecuador	66	92	192	1	2	2/
Peru	12	4	33	2	2/	1
Surinam	18	37	43	---	---	1
Venezuela	7,980	10,876	1,886	12	17	41
Other	12	2/	3/ 26	6	---	---
Total South America	8,703	11,630	2,248	25	20	50
Austria	54	---	---	---	---	---
Belgium-Luxembourg	---	---	11	---	---	---
Germany, Federal Republic of	---	---	20	---	---	2/
Greece	2	12	8	2/	---	---
Italy	14	7	4	2/	---	1
Other	11	4/ 2	5/ 7	1	---	---
Total Europe	81	21	50	1	---	1
British West Africa	---	---	10	---	---	---
Egypt	16	---	---	---	---	---
Other	6	6/ 8	7/ 6	---	---	---
Total Africa	22	8	16	---	---	---
Hong Kong	3	3	10	---	---	1
India	1	---	31	---	---	---
Iran	26	---	---	---	---	---
Philippines, Republic of	22	---	12	2	---	---
Other	10	8/ 15	9/ 2	2	10/ 2	---
Total Asia and Oceania	62	18	55	4	2	1
Grand total	14,193	26,588	15,915	2,268	3,268	4,525

1/ Separate figures not available prior to 1952.
2/ Less than 500 head or 500 pounds.
3/ Argentina, 1; Brazil, 9; French Guiana, 8; Paraguay, 8.
4/ Netherlands, 2.
5/ France, 4; Spain, 3.
6/ Liberia, 8.
7/ Ethiopia, 1; Liberia, 5.
8/ Australia, 2; Israel, 6; Lebanon, 2; Taiwan (Formosa), 5.
9/ Israel, 2.
10/ Saudi Arabia.

POULTRY PRODUCTS: U. S. imports by country of origin, average 1951-55, annual 1956-57

Commodity and country of origin	Unit	Average 1951-55	1956	1957	Commodity and country of origin	Unit	Average 1951-55	1956	1957
		Thou.	Thou.	Thou.			Thou.	Thou.	Thou.
Poultry meat:					Eggs:				
Turkeys, fresh or frozen	pound				In the shell	dozen			
Brazil		--	--	5	Canada		3,860	1,575	751
Sweden		--	3	--	Argentina		6	--	--
Hong Kong		--	1	5	Denmark		22	--	1/
Japan		--	1	1	Ireland		3	--	--
Other		1	--	--	Netherlands		407	6	21
Total		1	5	11	China		10	--	--
Chickens, 2/ fresh or frozen	pound				Hong Kong		50	4	5
Canada		54	40	145	Japan		2	2	--
Argentina		1	--	--	Taiwan		34	108	106
United Kingdom		1	--	--	Australia		176	--	534
Japan		4	1	1	Other		1	--	1
Other		--	1	--	Total		4,571	1,695	1,418
Total		60	42	146	Dried or frozen	pound			
Birds, 3/ prepared or preserved	pound				Canada		65	--	--
Canada		1	2	1	Mexico		--	--	2
Mexico		3	6	2	Argentina		31	--	--
Argentina		5	1	1	Brazil		12	--	--
Belgium		1	--	--	Denmark		65	2	--
Denmark		1	1	--	Italy		55	--	--
France		59	59	70	Netherlands		1	--	--
Germany, West		1	4	2	Sweden		6	--	--
Hungary		3	1	1	Switzerland		1	--	--
Netherlands		1	1	1	China		18	--	--
Norway		1	1	--	Japan		1	6	7
Spain		1	--	--	East Italian Africa		4	--	--
Sweden		--	5	--	Ethiopia		5	7	--
Switzerland		2	2	2	Other		1	--	--
United Kingdom		5	5	4	Total		265	15	9
China		25	--	--	Poultry, live:				
Hong Kong		118	139	180	Baby chicks	head			
Japan		52	19	29	Canada and total		110	78	28
Portuguese Asia		1	--	--	Other	pound			
Taiwan		--	1/	2	Canada		937	179	10
Other		2	1/	1/	Other		1	2	1
Total		282	246	295	Total		938	181	11

1/ Less than 500. 2/ Includes other poultry and game. 3/ Includes poultry.

POULTRY PRODUCTS: U. S. exports and imports, quantity and value, average 1951-55, annual 1956-57

Commodity	Unit	Quantity Average 1951-55	Quantity 1956	Quantity 1957	Value Average 1951-55	Value 1956	Value 1957
		Thousand	Thousand	Thousand	Thousand Dollars	Thousand Dollars	Thousand Dollars
EXPORTS							
Poultry meat:							
Chickens and capons, fresh or frozen	pound	1/ 6,699	24,508	28,472	2,772	7,807	9,105
Other poultry and game, fresh or frozen	"	1/ 8,299	17,267	11,162	3,868	7,313	4,386
Canned chicken	"	2,424	2,765	2,191	984	1,006	733
Eggs:							
In the shell	dozen	41,216	44,721	31,726	17,924	19,246	14,196
Dried	pound	11,730	1,853	1,365	4,811	1,993	1,428
Frozen or otherwise preserved	"	571	827	604	240	430	310
Live poultry:							
Baby chicks	head	1/ 14,193	26,588	15,915	2,435	4,811	3,298
Other	pound	1/ 2,268	3,268	4,525	743	977	1,286
Total		---	---	---	33,777	43,583	34,742
IMPORTS							
Poultry meat:							
Turkeys, fresh, frozen or prepared	pound	1	5	11	2/	7	12
Chickens, ducks, etc., including game, fresh, frozen or prepared	"	60	42	146	36	19	57
Birds, including poultry, prepared or preserved	"	282	246	295	562	563	708
Eggs:							
In the shell							
Chicken	dozen	4,423	1,571	1,278	2,134	813	495
Other	"	148	124	140	96	91	119
Dried, whole, yolks and albumen	pound	216	9	2	295	13	2
Frozen or otherwise prepared	"	49	6	7	23	8	8
Live poultry:							
Baby chicks	head	110	78	28	14	41	12
Other	pound	938	181	11	293	56	11
Total		---	---	---	3,453	1,611	1,424

1/ 1952-55 average. Not shown separately prior to 1952. 2/ Less than 500.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

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